



Missouri Public Service Commission

1988 Annual Report

*75th Anniversary
1913 - 1988*

Missouri Public Service Commission

1988 Annual Report

William D. Steinmeier, Chairman

Charlotte Musgrave, Commissioner

Allan G. Mueller, Commissioner

Connie B. Hendren, Commissioner

James M. Fischer, Commissioner

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History of the Commission

Missouri PSC celebrates 75th anniversary

From regulating street cars and railroads in 1913, to telephone divestiture and nuclear power plants in the 1980s, the Missouri Public Service Commission has had a changing, but major, impact on the State's citizenry and economy throughout most of the Twentieth Century.

Governor Elliott Major supported creation of the Missouri Public Service Commission. In his inaugural address of January 13, 1913, Major called the creation of the Missouri Public Service Commission, "one of the necessities of the hour." Governor Major stated, "The enactment of such a law will not only be to the interest of the public, but also to the interest of the utilities regulated and controlled. A number of other states, including New York and Wisconsin, have already enacted such a law, and it

has proven to be exceptionally beneficial and satisfactory. The control of public service corporations is a fixed policy of this State and government, and it is now an accepted axiom that the operation of a public utility is a public trust, subject to the control of the State by fair and just regulatory measures." Governor Major considered the creation of the Missouri Public Service Commission to be "one of the most important acts of the Legislature in many years."

The 47th General Assembly passed legislation sponsored by Carroll County Senator William Busby which created the Missouri Public Service Commission. The law, which took effect on April 15, 1913, was the first trial in Missouri of comprehensive, statewide regulation of rates and service of all public utility companies by a commission. The Missouri Public Service Commission replaced the Board of Railroad and Warehouse Commissioners which had been established in 1875 to regulate railroads operating in Missouri.

Two Democrats and two Republicans were named to the first Commission. In its April 14, 1913 editions, the *Jefferson City Daily Post* stated, "By going outside of his own party and appointing two Republicans the gover-

nor upset the doleful prediction of Senator James A. Reed and other old guard leaders that he would appoint 'political henchmen' to the commission and thus pay off his political debts."

John Atkinson, a former Assistant Attorney General and Speaker of the Missouri House, was named as the Commission's first chairman. Atkinson, from Doniphan, Missouri, had acted as private secretary to the Governor during the previous legislative session. Former Missouri Supreme Court Justice John Kennish also served on the first Commission. Kennish, a former state senator, served from 1913 until 1917. He returned in 1920 to fill the unexpired term of David Blair when Blair left the Commission to serve on the Missouri Supreme Court. Frank Wightman, a railroad expert from Monett, Missouri, and a former member of the Board of Railroad and Warehouse Commissioners, was appointed to the first Commission. The fourth member named was Howard Shaw, Dean of the School of Engineering at the University of Missouri-Columbia. St. Louis attorney William Woerner was appointed to the PSC on July 3, 1913. Woerner's appointment came almost three months after the other four Commissioners had been appointed.

Under the law creating the Missouri Public Service Commission, the PSC was to hold sessions in the State Capitol in Jefferson City. Due to the 1911 fire which destroyed a good portion of the Capitol, the Commission held its first session in the temporary State Capitol. That structure was built between the State Capitol and the current Missouri Highway and Transportation Department Building. During that session, the Commission issued its first order which

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repercussions of war were felt by the Missouri Public Service Commission as employees were lost to the war cause and projects planned by the Commission had to be delayed.

During the war, the Commission expanded its usual and customary work to meet the emergencies of war. Special studies were made by the Commission on methods of defense against every anticipated sabotage effort to plants which supply water, electricity, gas and other utilities necessary for the civilian and military population. After the bombing of Pearl Harbor, problems developed regarding power and gas supplies. The Missouri Public Service Commission joined other midwestern commissions to form the Mid-West Utility Commissioners Committee. Under its supervision, studies and surveys were made of available power supplies in various states in order to reserve power for use in emergencies and in the war effort.

The first female Commissioner was appointed to the PSC in January, 1943. Miss Agnes Mae Wilson, a Trenton, Missouri lawyer and former high school teacher from Galt, Missouri, was Secretary of the Commission prior to her appointment. Her time on the Commission was a busy one. By 1945, the Commission had jurisdiction over 36 railroads, nearly 100 bus companies and approximately 1,000 truck companies. The Commission also regulated 300 companies supplying electricity, gas, water and steam to Missourians. The Public Service Commission also regulated approximately 161 telephone companies.

As the United States headed out of the 1940s and into the 1950s, utility companies were faced with the problem

of rendering services to a greatly increasing number of customers through facilities which were basically constructed before the war. Increased operating costs caused many utility companies to petition the Commission seeking an increase in rates.

In 1920, there were 348 separate electric systems operating in Missouri. By the mid-1950s, there were 14. Electric plant investment from the mid-1940s to the mid-1950s increased by approximately 248 percent. At the same time, use of service by the public had increased by that much or more. Gas companies continued to grow at an enormous rate during this time and water companies were able to expand plants and complete construction work to meet increased customer needs.

The Missouri Public Service Commission regulated approximately 493 telephone companies in 1920. By the mid-1950s, that number had dwindled to 144 due to consolidations by purchase and transfers to corporate interests. Plant investment for telephone service throughout Missouri increased by approximately 264 percent. To replace former systems with dial operated plants, old telephone plant had to be extensively replaced. In addition, companies

continued to expand the telephone network into the rural areas of Missouri.

The Commission moved its operations again in the 1950s. This time, the Commission moved from the old Federal Court Building to the Jefferson State Office Building. The Commission occupied the 9th and 10th floors of that building for approximately 30 years before moving into its present offices in the Truman State Office Building in November, 1983.

From 1951 to 1960, gas utilities expanded dramatically. The volume of gas sold increased by 77 percent during that time and income from gas sales increased by approximately 122 percent. Investment in plant property increased 169 percent and the number of consumers using natural gas increased by approximately 31 percent.

History of the Commission

The telecommunications industry continued to grow as Missouri entered into the 1960s. New telephone services such as WATS and Telepak were introduced. In addition, 95 percent of all telephones in Missouri were dial operated. In 1963, extensive cable pressurization programs were being carried out to provide extra resistance to service interruptions caused by storms and rain. In 1964, a new service plan was introduced to upgrade telephone service to approximately 28,000 rural customers who had eight-party service.

Following a major power failure in the northeastern part of the United States in November of 1965, Missouri Governor Warren Hearnes ordered an investigation to determine if a similar power failure could occur in Missouri. The Public Service Commission was

responsible for the investigation which was to also determine what steps could be taken to avert such a power failure and what appropriate actions could be taken in the event a massive failure did occur in Missouri. The investigation revealed Missouri's power situation was less vulnerable to breakdown than in the heavily populated northeast. The report also recommended corrective measures be taken to assure an uninterrupted power supply for Missouri consumers.

Governor Warren Hearnes on June 1, 1967, signed into law emergency legislation which gave the Missouri Public Service Commission control over private sewer systems operating as public utilities in Missouri.

Several rate increase request cases were filed with the Missouri Public Service Commission during the late 1960s and early 1970s. Most increase requests were made because inflationary pressures had driven up the cost of labor, materials and capital for utility companies. The effects of inflation were intensified due to the rising demand for those services provided by utility companies. In order to keep pace with demand, many utilities were forced to undertake expansion at a time when costs were high. During the 1970-71 fiscal year,

there were 51 utility rate proceedings before the Commission, a 66 percent increase over the previous year and a 100 percent increase over the 1968-69 fiscal year.

The duties of the Missouri Public Service Commission were expanded during the 1972-73 fiscal year. The Commission was given jurisdiction over the safety of mobile homes and recreational vehicles. In 1973, the Commission started a program enforcing safety standards covering mobile homes and recreational vehicles manufactured or sold in Missouri.

In 1973, the Missouri Public Service Commission authorized the Kansas City Power and Light Company and the St. Joseph Light and Power Company to construct a 600 megawatt coal-fired generating plant on the Missouri River near Weston. Today that facility is known as Iatan. In July of that same year, Union Electric Company announced its intention to construct the first nuclear-power electric generating plant in Missouri. The Callaway nuclear power plant is located approximately 20 miles northeast of Jefferson City in Callaway County. The Callaway nuclear power plant began commercial operation in December, 1984.

The first review of the management and operations of a utility under the jurisdiction of the Missouri Public Service Commission was made in the fall of 1975. The Commission directed the Missouri Public Service Company to contract with a consulting firm to conduct a management review of the company. The Continental Telephone Company of Missouri was ordered in November of 1975 to contract with a consulting firm for a management review. In addition, Union Electric of

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St. Louis was also directed to contract with a consultant in November of that same year to review Union Electric's plans for the construction of its nuclear power plant facility in Callaway County, Missouri.

The Missouri Public Service Commission took an important step toward helping consumers who were faced with utility bills they could not pay when it adopted the Cold Weather Rule in 1977. This rule contains strict procedures which utility companies must follow before heat-related utility service can be terminated during the winter months.

A Commission decision in 1974 was overturned by the Missouri Supreme Court on June 29, 1979 when the high court disallowed the so-called "fuel adjustment clause" for electric companies under PSC jurisdiction. In 1974, the Commission authorized the state's electric utilities to automatically pass along changes in the price of fuel from its suppliers to its customers. However, in 1979, the Missouri Supreme Court ruled the Commission did not have the express statutory authority to grant any rate increases to electric companies without considering "all relevant factors". On October 19, 1979, the Cole County Circuit Court, on remand, ordered the state's major electric utilities to refund approximately \$14 million collected through a surcharge to the fuel adjustment clause during 1976 and 1977. In addition, the court ordered the companies to add 6 percent interest to the refund.

Dramatic increases in the price of natural gas greeted Missouri consumers as they entered into the 1980s. The entire nation was faced with an energy crisis, which included people waiting in line at local gas stations to fill up their cars at

prices which reached over a dollar a gallon. The federal government enacted the Natural Gas Policy Act of 1978, which provided for the phased deregulation of natural gas by 1985. As a result, natural gas customers in Missouri saw rates increase by approximately 127 percent from January, 1979 to July, 1983. Rate increases granted to wholesale suppliers by the Federal Energy Regulatory Commission accounted for approximately 112 percent of that increase.

During the early 1980s, the Missouri Public Service Commission was faced with new and complicated issues, including nuclear power plant rate cases and the divestiture by AT&T of its Bell Operating Companies. January 1, 1984, marked the implementation of one of the biggest antitrust case settlements in United States history; the breakup of AT&T. Access line rates, interLATA and intraLATA competition, telephone bypass and toll pooling were issues before the Public Service Commission. The continued goal of universal telephone service, the future pricing structure of telephone rates and the smooth transition of the telephone industry toward an increasingly competitive telecommunications environment were at stake.

Since its creation in 1913, the Public Service Commission regulated transportation matters (railroad, bus and truck) in Missouri. That changed in 1985 when Governor John Ashcroft signed into law Senate Bill 2 which established a separate Division of Transportation to handle transportation matters. After more than 70 years, transportation issues were no longer under PSC jurisdiction.

The challenge of determining prudent nuclear power plant construction costs faced the Missouri Public Service Commission in 1984. Three electric companies filed rate cases with the Commission seeking to place nuclear power plant construction costs in consumer rates. Arkansas Power and Light Company sought to include its share of the

History of the Commission

cost of the Grand Gulf nuclear power plant. Union Electric Company sought recovery of the construction costs of its Callaway nuclear power plant and the Kansas City Power and Light Company filed a rate case involving the Wolf Creek nuclear power plant. In each case, rate proposals filed with the Commission would have a significant impact upon consumer rates.

On March 29, 1985, the PSC issued its first decision regarding nuclear power plant construction costs. The Commission disallowed approximately \$384 million from Union Electric Company's rate base due to mismanagement and unjustified cost overruns at the Callaway nuclear power plant. That represented the largest single "prudence" disallowance by any PSC in the nation up to that time. In addition, the Commission

ordered the company to phase-in a \$455 million (45%) increase over an eight year period to lessen the financial impact upon customers of the utility company.

On April 23, 1986, the Commission determined that approximately 60 percent of Kansas City Power and Light Company's rate increase request should be denied. A \$78.2 million increase was ordered phased-in over a seven year period. The Commission cited excess capacity, cost overruns and project mismanagement at the Wolf Creek plant and excessive earnings in non-Wolf Creek operations as major factors in reaching its decision. A final rate case decision involving nuclear power plant construction costs was reached on April 24, 1986, when the Commission issued its decision in a case filed by the Arkansas Power and Light Company. The Commission significantly reduced the company's request, authorizing Arkansas Power and Light to phase-in a \$6 million rate increase over five years. The company had asked for approximately \$17.1 million. A significant portion of Arkansas Power and Light's rate increase was attributable to a Federal Energy Regulatory Commission decision which allocated 36 percent of the Grand Gulf

nuclear power plant costs to Arkansas Power and Light.

On March 28, 1986, the Commission rejected, for a second time, a request filed by the Union Electric Company to recoup from ratepayers, the cancellation costs of the Callaway II nuclear power plant. The case came before the Commission on remand from the Missouri Supreme Court. In 1983, the Commission had denied the cancellation costs, stating "Proposition I" barred recovery. ("Proposition I" was a statute enacted by referendum which prohibited recovery of power plant construction costs before a plant was "fully operational and used for service"). Union Electric appealed the Commission's decision and the state's high court remanded the matter to the Commission for further findings, declaring "Proposition I" was inapplicable to costs of a cancelled unit. In the Commission's 1986 decision, the PSC determined the cancellation costs were extraordinary expenses which the Commission could allow or disallow, in its discretion, based upon the unique facts and circumstances of an individual case. The Commission compared the effect of non-recovery on Union Electric with the effect of recovery upon ratepayers. The Commission concluded that "the increased rates associated with recovery would be unjust and unreasonable." The Commission's decision was upheld by the Missouri Court of Appeals, Western District, on November 1, 1988.

In the spring of 1986, Governor John Ashcroft named a 20-member task force to review and recommend possible changes in state laws regarding the telecommunications industry. Commission Chairman William Steinmeier was named to head the task force. Through

History of the Commission

this committee's work, House Bill 360 was introduced and passed by the Missouri Legislature. On September 28, 1987, the first major revision of Chapter 392 since its enactment in 1913, took effect. The new statutory framework is designed to give the Commission the necessary flexibility to manage the transition of the telecommunications industry to a more competitive environment. The new law authorizes the Commission to relax regulation of telecommunications services where competitive market forces are operating to protect consumers from unfair prices. It also protects the provision of basic local telephone service as a non-competitive service provided under traditional regulation by the Commission.

In October of 1986, President Ronald Reagan signed into law the most significant overhaul of our income tax system since 1954. Within two weeks of the signing of the Tax Reform Act of 1986, the Commission initiated a proceeding to determine the impact of the new income tax structure upon public utilities in Missouri.

During 1987, the Missouri Public Service Commission reached an unprecedented accomplishment when it issued decisions which lowered utility rates by approximately \$451 million statewide. Of that total, approximately \$161 million reflected agreements reached among various parties to reduce rates to reflect savings associated with the Tax Reform Act of 1986. The balance reflected decisions reached based upon audits conducted primarily by the Public Service Commission Staff on various utility companies in Missouri.

During 1987, the Commission issued decisions which eliminated phase-in

schedules for Union Electric and the Kansas City Power and Light Company as they related to previous Commission decisions in nuclear power plant cases. Union Electric's phase-in schedule was eliminated three years ahead of schedule, saving ratepayers approximately \$183.2 million in scheduled rate increases through 1990. In addition, phase-in increases totaling approximately \$90 million over a four year period from 1989 through 1992 were eliminated for customers of the Kansas City Power and Light Company. The phase-in elimination was the result of an agreement reached among several parties, including the PSC Staff and the Office of the Public Counsel.

In its 75 year history, the Missouri Public Service Commission has been called upon to reach many major decisions which effect all Missourians and the economic growth of our State. While the Commission's role has changed from regulating street cars in 1913 to the rapidly changing telecommunications environment of the 1980s, its charge

during this period has remained the same. The Commission has maintained the role of ensuring customers receive safe and adequate service at just and reasonable rates while affording shareholders of the utility company an opportunity to earn a reasonable return on their investment.

References: Missouri Public Service Commission Annual Reports 1913-1987.

History of the Commission

First Commissioners and Biographies



John M. Atkinson

Chairman

John M. Atkinson, an attorney, was the first Chairman of the Missouri Public Service Commission. He was appointed by Governor Elliott W. Major on April 15, 1913 for a term of six year ending April 15, 1919.

Mr. Atkinson was from Doniphan, Missouri, and had formerly served as the Speaker of the House of Representatives and as an Assistant Attorney General.

Mr. Atkinson served until May 1, 1916, and was replaced by William G. Busby, a lawyer from Carrollton, Missouri, who was named Chairman of the Commission at the time of his appointment.



John Kennish

John Kennish, an attorney, from Kansas City, Missouri was appointed by Governor Major for a term of four years which ended April 15, 1917.

Mr. Kennish was a former Missouri Supreme Court Judge and State Senator.

He left the Commission at the end of his term on April 15, 1917, but was appointed to fill the unexpired term of David E. Blair when Blair became a Missouri Supreme Court Judge on August 23, 1920. Kennish resigned December 1, 1920 and was replaced by John A. Kurtz, a Kansas City lawyer.



Howard B. Shaw

Howard B. Shaw, an electrical engineer, was appointed by Governor Major on April 15, 1913 for a four year term. At the time of his appointment, Mr. Shaw was Dean of the School of Engineering at the University of Missouri in Columbia.

Mr. Shaw was replaced by Edward Flad on April 15, 1917.

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First Commissioners and Biographies



Frank A. Wightman

Frank A. Wightman was a member of the Board of Railroad and Warehouse Commissioners prior to his appointment to the Missouri Public Service Commission by Governor Major on April 15, 1913. The Board of Railroad and Warehouse Commissioners was abolished by the Public Service Commission Law.

Mr. Wightman was a railroad expert from Monett, Missouri, and served until April 24, 1915. He was replaced by Eugene McQuillin, a St. Louis attorney.



William F. Woerner

William F. Woerner was an attorney in St. Louis, Missouri when he was appointed to the Commission by Governor Major for a six-year term ending April 15, 1919. Mr. Woerner's appointment came almost three months after the other four Commissioners had been appointed.

Mr. Woerner resigned effective November 18, 1914 and was replaced by Edwin J. Bean, a lawyer from DeSoto, Missouri.

Statement from the Commission

Fiscal Year 1988 from the Commissioners' perspective

The Missouri Public Service Commission has the responsibility of ensuring consumers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the companies' shareholders the opportunity to earn a reasonable return on their investment.

The Commission regulates utility rates, service and safety. Investor-owned electric, gas, telephone, sewer, and water companies are under the Commission's jurisdiction. The Commission also monitors the construction of mobile and modular homes and recreational vehicles.

Although rates charged by electric cooperatives are determined by their governing boards, the Commission has jurisdiction over the safety of services provided by cooperatives. Utility services provided by city and state governments are exempt from Commission regulation.

REGULATORY CHANGE CONTINUES IN 1988

The continuing march of federal policymakers toward more competitive environments in the telecommunications, natural gas, and electric industries, improving economic and financial conditions and federal tax reform represented important and significant factors that affected Missouri's investor-owned utilities and their ratepayers.

CONTINUING RATE REDUCTIONS DUE TO TAX REFORM AND IMPROVING ECONOMY

In fiscal year 1988, the PSC eliminated scheduled phase-in rate increases that had been previously approved to reflect the costs of the Callaway and Wolf Creek nuclear plants for Union Electric and the Kansas City Power & Light Company. As a result, ratepayers were saved approximately \$273 million by the decisions to end the Union Electric and KCP&L phase-in plans three and four years early. These savings resulted principally from declining cost of capital and fuel prices as well as economic growth in the service areas of the utilities. The Commission continued to reflect savings due to the passage of the Tax Reform Act of 1986 and a stabilized

economy in the rates of Missouri's utility ratepayers by reducing the rates of other utilities by \$32.1 million. (These savings were in addition to the \$156.3 million in rate reductions approved in fiscal year 1987). The Commission also approved \$24.5 million in rate increases for public utilities during the fiscal year 1988.

The Commission also instructed the PSC Staff to begin a full investigation and audit of Southwestern Bell to determine whether the telephone company's existing rates were excessive. On August 12, 1988, the PSC Staff filed a Complaint seeking to reduce Southwestern Bell's rates by \$201 million, or approximately 24 percent. This Complaint proceeding is scheduled for hearing in early 1989.

TELECOMMUNICATIONS REFORM

The decision of the federal government to require AT&T to divest itself of the Bell Operating Companies and the decision of the Federal Communications Commission to introduce competition into many of the telecommunications markets has required the Public Service Commission to reevaluate traditional methods for regulating telecommunications companies.

In 1988, the Commission approved a Primary Toll Carrier Plan to replace the toll pool plan which had existed for many years for the provision of intra-state, intraLATA toll service. Under the toll plan, long distance rates in Missouri were averaged and all customers in the state paid the same long distance rates. All local exchange companies placed long distance revenues into a toll pool from which they recovered their expenses and earned a uniform rate of return.

Statement from the Commission

Under the Primary Toll Carrier Plan, five local exchange companies, Southwestern Bell, United, GTE, Contel and Fidelity, will provide intraLATA toll service in Missouri. The five primary toll carriers will pay access charges to the other local exchange companies from which calls are originated or terminated. The Primary Toll Carrier Plan reflects the varying costs of providing service for each of the primary toll carriers and is more consistent with a competitive long distance marketplace. As a part of the plan, the Commission approved rate reductions for some intrastate long distance rates in Missouri. These long distance rate reductions were offset, in part, by increases in certain non-basic services, including directory assistance, touch-tone, unpublished number and service connection charges.

The Commission also monitored ongoing experiments with Extended Measured Service. Under the experimental plan, customers in exchanges with high usage to adjoining exchanges could receive a 50 percent discount on toll calls to the adjoining exchange. As an alternative, residential customers could receive service to the adjoining exchange under a pricing plan of \$5 per month and 25 cents per call. The Commission will consider the results of these experiments in the future and will determine if similar services should be made available throughout the state.

The Commission also adopted on a permanent basis, guidelines for the provision of shared tenant services. Under these guidelines, landlords or tenants within a multi-tenant building may provide telecommunications services to other tenants within the building. As a result, small and medium-sized businesses will gain the benefits of more

sophisticated telecommunications technology at costs more competitive with larger firms which own their own telecommunications systems.

On September 28, 1987, House Bill No. 360, the first major revision of Chapter 392 since its enactment in 1913, became effective. The new statutory framework is designed to give the Commission the necessary flexibility to manage the transition of the telecommunications industry to a more competitive environment. The stated purposes of House Bill No. 360 include:

(1) Promote universally available and widely affordable telecommunications services;

(2) Maintain and advance the efficiency and availability of telecommunications services;

(3) Promote diversity in the supply of telecommunications services and products throughout the state of Missouri;

(4) Ensure that customers pay only reasonable charges for telecommunications service;

(5) Permit flexible regulation of competitive telecommunications services; and

(6) Allow full and fair competition to function as a substitute for regulation when consistent with the protection of ratepayers and otherwise consistent with

the public interest. RSMo 392.539, as amended.

In a nutshell, House Bill No. 360 authorizes the Commission to relax regulation of telecommunications services where competitive market forces are operating to protect consumers from unfair prices. It also protects the provision of basic local telephone service as a non-competitive service provided under traditional regulation by the Commission. It protects against abandonment of basic service by AT&T and the local telephone companies. Because statewide average long distance rates make long distance service available to all Missourians—both urban and rural—on equal terms, the bill requires permission from the Commission before any rates for service are deaveraged. It also

Statement from the Commission

requires the Commission to scrutinize rates for basic telephone service to ensure that competitive enterprises are not being subsidized by a customer's local telephone bill.

A service or company may be classified by the Commission as competitive, transitionally competitive, or non-competitive. The degree of regulation of such service or company will depend upon the classification into which it falls. Thus, the statute will allow the Commission to bring to consumers the benefits of competition in those areas where it may thrive. Consumer benefits are expected to include greater innovation, a wider variety of products and services, and of course, several companies competing to provide service at the lowest price. At the same time, it authorizes the Commission to manage the transition to

a more competitive environment and to fully regulate and maintain reasonably affordable basic telephone service. During fiscal year 1988, several telecommunications companies applied for classification under H.B. No. 360 and the PSC Staff began collecting necessary data to implement the bill's relaxed regulatory framework.

DEVELOPMENTS IN STEAM HEATING BUSINESS

The Commission determined that the Kansas City Power & Light Company could withdraw from the central steam heating business after December 31, 1990, but that it must first attempt to sell its steam business to qualified and interested purchasers of the system. The Commission also ordered steam rates be frozen, pending the possible sale or abandonment of the steam system. During fiscal year 1988, the company considered several bids from interested purchasers of the heating system. Any sale of the heating system would have to be approved by the Commission.

PARTICIPATION BEFORE FEDERAL BODIES

The Commission continued its active participation in federal forums to ensure national policies are consistent with the best interests of Missourians.

In recent years, there have been a number of significant regulatory initiatives undertaken by the Federal Energy Regulatory Commission (FERC) with regard to those segments of the natural gas and wholesale electric industries under its jurisdiction. These initiatives have included the establishment of an open access gas transportation system, the deregulation of "old" natural gas, and more recently, rulemaking proceedings regarding independent power producers, competitive bidding for supply of electricity and the determination of avoided cost rates for cogeneration. The Commission has actively participated and testified in proceedings before the FERC where Missouri interests were affected.

The Commission has also participated in numerous proceedings before the Federal Communications Commission concerning such issues as the appropriate level of the federal subscriber line charge, and rate cap proposals for regulating AT&T and local exchange companies. In addition, the Missouri Public Service Commission participated in the appeal of the FCC's Computer III decision which preempted the states in the enhanced services markets.

CONCLUSION

In conclusion, the Missouri Public Service Commission continues to review its regulatory policies to ensure that the broad public interest is promoted and protected. It remains the responsibility of the Commission to ensure that consumers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the companies' shareholders the opportunity to earn a reasonable return on their investment.

Commission Resources

Current Commissioners and Biographies



William D. Steinmeier

Chairman

Mr. Steinmeier, an attorney, was first appointed Chairman of the Missouri Public Service Commission by Governor Christopher S. Bond on January 26, 1984, to complete an unexpired term. He was reappointed to a full six year term on April 15, 1985, by Governor John Ashcroft.

He is a member of the NARUC Executive Committee and Electricity Committee and serves on the Administrative Law Committee of the Missouri Bar.

Mr. Steinmeier received his JD degree from the University of Missouri-Columbia Law School in 1975, and his BA in Political Science from Wheaton College, Wheaton, Illinois, in 1972.

Chairman Steinmeier's term expires on April 15, 1991.



Charlotte Musgrave

Vice-Chairman

Ms. Musgrave, a former member of the Jackson County Legislature, was appointed to the Commission by Governor Christopher S. Bond on October 7, 1981.

She currently serves as Vice-Chairman of the Missouri Public Service Commission.

Ms. Musgrave received her BS degree in education from the University of Missouri-Columbia, and her AA degree from Christian College, Columbia, Missouri.

Vice-Chairman Musgrave's term expires on April 15, 1987.



Allan G. Mueller

Mr. Mueller, a former member of the Missouri Senate and House of Representatives, was appointed to the Missouri Public Service Commission by Governor Christopher S. Bond on July 11, 1983.

He is currently serving on the NARUC Committee on Energy Conservation.

Mr. Mueller received his BS degree in Business Administration from St. Mary's University in San Antonio, Texas, in 1965.

Commissioner Mueller's Term expires on April 15, 1989.

Commission Resources



Connie B. Hendren

Ms. Hendren, a Certified Public Accountant, was appointed to the Missouri Public Service Commission by Governor Christopher S. Bond on July 11, 1983.

She is currently serving as Secretary and Board Member of the Missouri Society of CPA's. Ms. Hendren is chairman of the NARUC Finance and Technology Committee and is a member of the NARUC Committee on Utility Association Oversight. She serves as the NARUC liaison with the Financial Accounting Standards Board and on the Board of Advisors to the Council on Economic Regulation. In addition, Commissioner Hendren is a member of the Business and Economic Advisory Council of William Woods College in Fulton, Missouri.

Ms. Hendren received her BS degree in Business Administration with a major in Accounting from the University of Missouri-Columbia in May 1976.

Commissioner Hendren's term expires on April 15, 1989.



James M. Fischer

Mr. Fischer, an attorney and former Public Counsel for the State of Missouri, was first appointed to the Missouri Public Service Commission by Governor Christopher S. Bond on January 3, 1984, to complete an unexpired term. He was reappointed to a full six year term on April 15, 1985, by Governor John Ashcroft.

He serves on the NARUC Committee on Communications, the Federal Communication Commission's Federal/State Joint Board and the Council on Economic Regulation.

Mr. Fischer received his law degree from the University of Kansas in 1976, and his BS in Economics and Political Science from the University of Kansas in 1973.

Commissioner Fischer's term expires on April 15, 1991.

Commission Resources

Key Staff Personnel

EXECUTIVE DIVISION

William Steinmeier, Chairman	751-4132
Charlotte Musgrave, Vice-Chairman	751-4117
Allan Mueller, Commissioner	751-3243
Connie Hendren, Commissioner	751-4221
James Fischer, Commissioner	751-3233
Bob Scribner, Staff Director	751-3048
Mike Broker, Personnel Director	751-5606
Gene Fee, Chief Hearing Examiner	751-3015
Barb Skalla, Chief Court Reporter	751-4255

OFFICE OF THE SECRETARY

Harvey Hubbs, Secretary	751-7494
Dan Redel, Manager - Internal Accounting	751-2457
Ed Klein, Manager - Mobile Homes	751-7119
Judy Fritsch, Manager - Records	751-7496
Kevin Kelly, Manager - Information	751-9300

OFFICE OF GENERAL COUNSEL

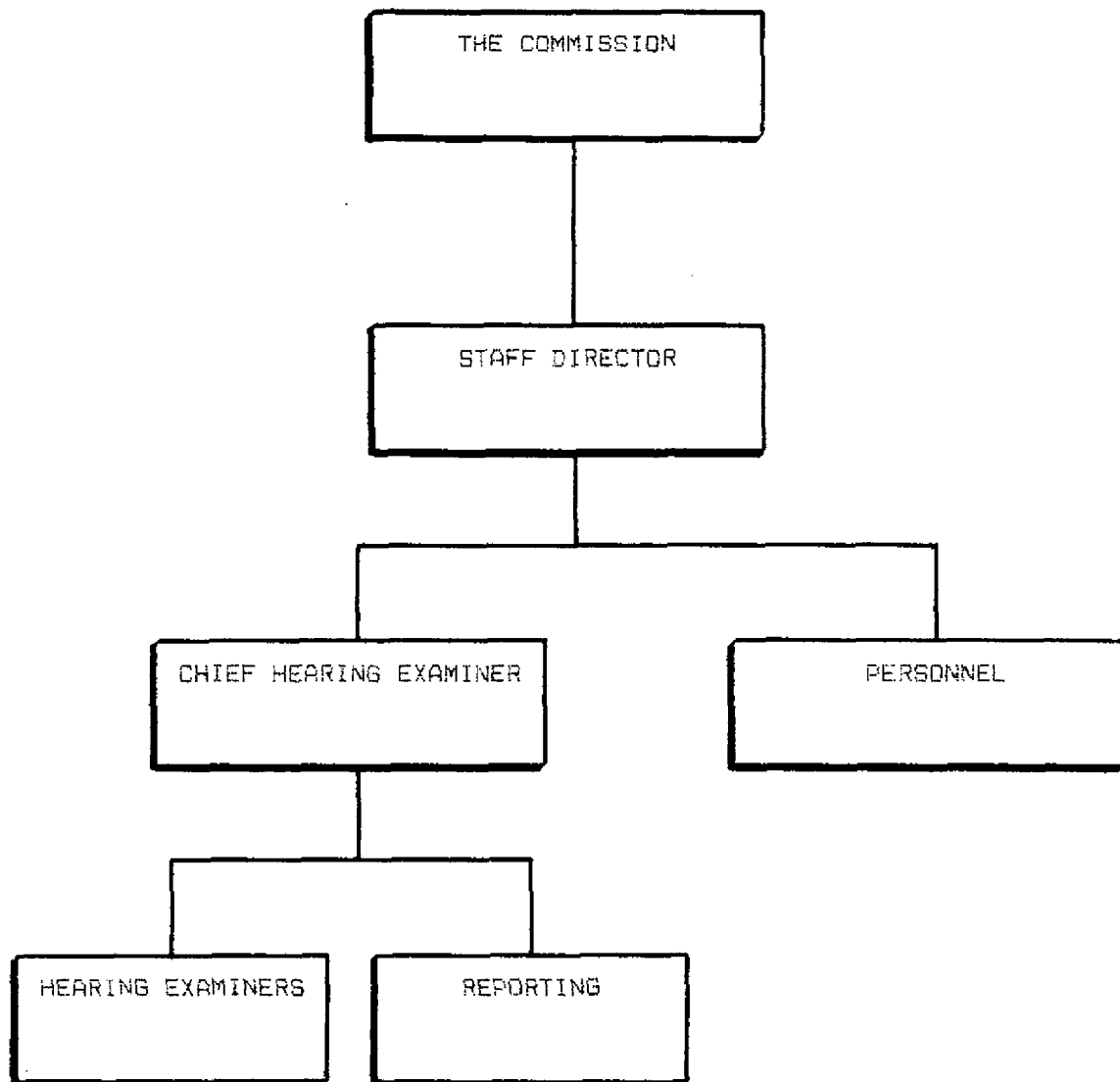
Mary Ann Young, General Counsel	751-2481
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UTILITY DIVISION

Gordon Persinger, Utility Division Director	751-4020
Dan Ross, Administration and Federal Affairs	751-7491
Bill Washburn, Manager - Utility Operations	751-7505
Sam Goldammer, Manager - Communications Department	751-2508
Bo Matisziw, Manager - Natural Gas Department	751-2152
Bill Sankpill, Manager - Water and Sewer Department	751-7074
John Renken, Manager - Generating Facilities	751-7527
Janet Hoerschgen, Manager - Consumer Services	751-3160
Norman Harp, Manager - Accounting Department	751-7443
Michael Proctor, Manager - Research and Analysis	751-7518
Art Wimberley, Manager - Management Services	751-7439
Ron Shackelford, Manager - Financial Analysis Department	751-8515

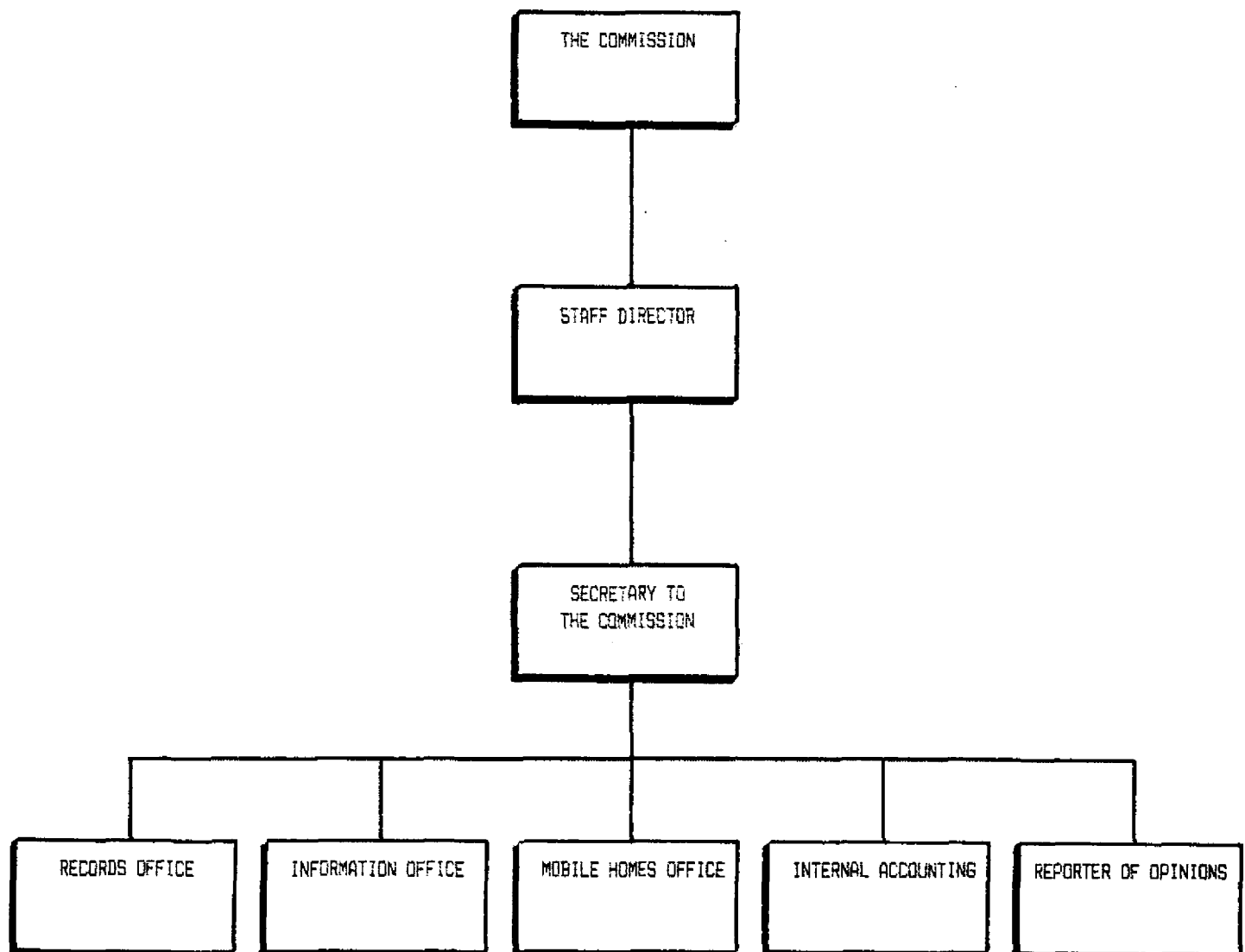
Commission Resources

Executive Division



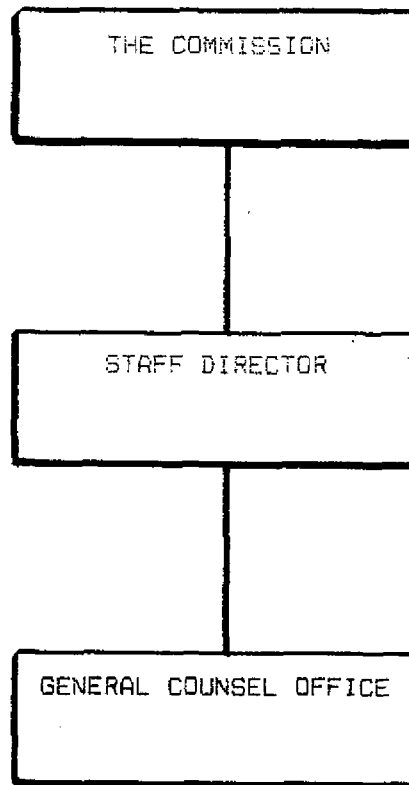
Commission Resources

Office of the Secretary



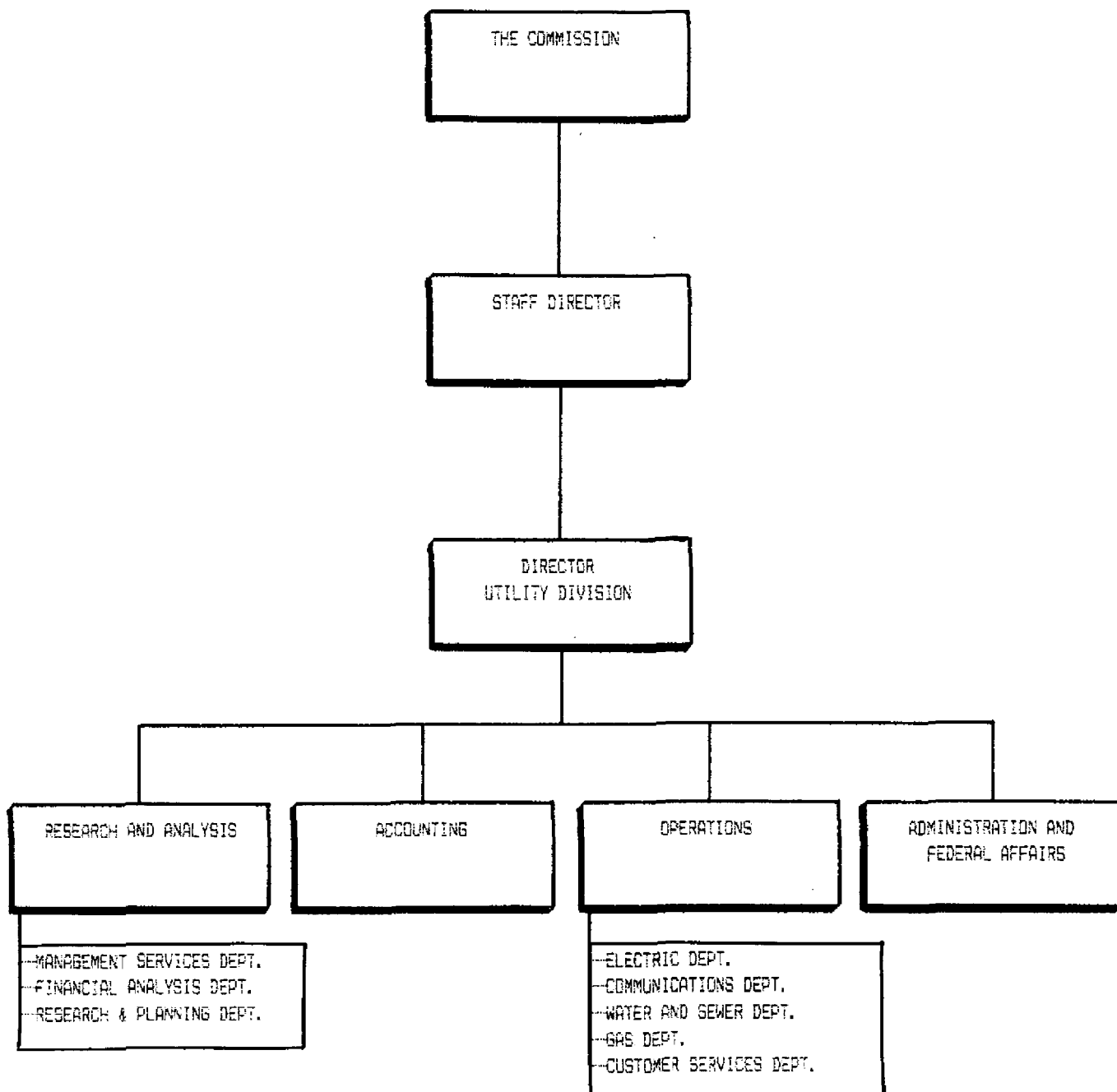
Commission Resources

General Counsel



Commission Resources

Utility Division



Commission Resources

	Budget		
	FY 1987	FY 1988	FY 1989
EXECUTIVE DIVISION			
Personal Service	\$ 819,987	\$ 844,587	\$ 853,587
Expense and Equipment	129,277	129,277	129,277
F.T.E.	25.00	25.00	25.00
OFFICE OF THE SECRETARY			
Personal Service	\$ 366,348	\$ 366,605	\$ 372,365
Expense and Equipment	334,882	798,422	312,836
F.T.E.	17.00	16.00	16.00
GENERAL COUNSEL			
Personal Service	\$ 462,785	\$ 476,669	\$ 483,059
Expense and Equipment	77,753	76,543	93,543
F.T.E.	17.75	17.75	17.75
UTILITY DIVISION			
Personal Service	\$ 3,490,100	\$ 3,589,074	\$ 3,633,354
Expense and Equipment	2,038,213	1,170,713	1,170,713
F.T.E.	124.50	123.00	123.00
MOBILE HOMES			
Personal Service	\$ 151,381	\$ 140,922	\$ 143,082
Expense and Equipment	45,159	163,107	27,279
F.T.E.	7.00	6.00	6.00
*TOTALS			
Personal Service	\$ 5,290,601	\$ 5,417,857	\$ 5,485,447
Expense and Equipment	2,625,284	2,338,062	1,733,648
Total	<u>\$ 7,915,885</u>	<u>\$ 7,755,919</u>	<u>\$ 7,219,095</u>
F.T.E.	<u>191.25</u>	<u>187.75</u>	<u>187.75</u>

*Excludes Transportation for FY 1987

Regulatory Activities

Year-at-a-Glance

July 1987	10	St. Louis County Water Company files water rate case seeking approximately \$7.1 million.
	28	PSC denies request filed by United Telephone Long Distance Telephone Company of the Midwest seeking a certificate of public convenience and necessity to provide long distance service within the State of Missouri.
August	11	PSC approves stipulated agreement which authorizes Union Electric Company to increase gross annual natural gas revenues by approximately \$3.3 million. This case marks the first general rate case filing made by Union Electric since the Commission's 1983 decision to allow the merger of Missouri Power and Light, Missouri Edison and the Missouri Utilities Company into Union Electric.
	28	PSC approves agreement which authorizes Southwestern Bell Telephone Company to directly return approximately \$14.9 million to residential customers to reflect savings associated with the federal Tax Reform Act of 1986. The Commission also instructs the PSC Staff to begin a full investigation and audit of Southwestern Bell to determine whether the telephone company's current rates are excessive.
September	10	PSC approves agreement which reduces the annual electric revenues of Missouri Public Service by approximately \$5.4 million. The reduction reflects the impact of the federal Tax Reform Act of 1986 as well as a review and investigation of Missouri Public Service's books and records as conducted by the Office of the Public Counsel.
	18	PSC approves agreement which authorizes the United Telephone Company to reduce annual telephone revenues by approximately \$3.2 million. The reduction reflects company savings associated with the federal Tax Reform Act of 1986 as well as an investigation into the present earnings of the company as conducted by the PSC Staff and the Office of the Public Counsel.
	30	The Federal Court of Appeals, 8th Circuit, reverses a 1986 U.S. District Court decision which ordered the Missouri Public Service Commission to raise the electric rates of Arkansas Power and Light Company customers. As a result, refunds will be made to electric customers of Arkansas Power and Light who used electricity during the time interim rates were in effect from March 21, 1986, to May 4, 1986. The court case stems from an Arkansas Power and Light Company request for an interim rate increase as a result of a decision by the Federal Energy Regulatory Commission to allocate 36 percent of the costs of the Grand Gulf nuclear power plant to the Arkansas Power and Light Company.
October	7	PSC reaches decision which allows the Kansas City Power and Light Company to get out of the steam business after December 31, 1990, but only after the company seriously seeks to sell the system. The Commission also orders Kansas City Power and Light to freeze current steam rates until the system is sold or abandoned.
	9	St. Joseph Light and Power Company files rate request seeking to increase natural gas rates by approximately \$641,000 and steam rates by approximately \$750,000.

Regulatory Activities

- | | | |
|--------------|----|---|
| | 14 | PSC approves agreement which authorizes the Empire District Electric Company to reduce annual electric revenues by approximately \$3.4 million. The reduction reflects an investigation into the company's present earnings as conducted by the PSC Staff as well as savings associated with the federal Tax Reform Act of 1986. |
| | 14 | PSC approves agreement which authorizes U.S. Water/ Lexington, Missouri, Incorporated to increase annual water revenues by approximately \$95,000. |
| | 30 | PSC approves an application filed by Telephone and Data Systems, Incorporated seeking to acquire more than 10 percent of the total capital stock of the Stoutland Telephone Company. |
| November | 23 | PSC approves joint recommendation which ends scheduled phase-in rate increases for the Kansas City Power and Light Company four years ahead of schedule after a final phase-in increase of 2.2 percent on May 5, 1989. The phase-in increases relate to an earlier PSC decision regarding the Kansas City Power and Light Company's Wolf Creek nuclear power plant. |
| | 30 | PSC conducts on-the-record conference regarding a management audit of the Laclede Gas Company. |
| December | 21 | PSC determines rate increases involving Union Electric's Callaway I nuclear power plant should end three years ahead of schedule. Scheduled 4.6 percent increases in 1988, 1989 and 1990 should not be implemented. Instead, a final Callaway increase of less than one-half of one percent will take effect on December 31, 1987. PSC decision is the end result of complaint cases filed against Union Electric by the PSC Staff and the Office of the Public Counsel in April of 1987. |
| | 22 | PSC approves tariffs which authorize the St. Joseph Light and Power Company to reduce annual electric revenues by approximately \$3.7 million. The electric rate reduction is the result of a complaint filed against the company by the Office of the Public Counsel. |
| | 30 | PSC authorizes KPL Gas Service to reduce annual natural gas revenues by approximately \$1.5 million to reflect savings associated with the federal Tax Reform Act of 1986. |
| | 30 | PSC issued decisions in 1987 which lowered utility rates by approximately \$451 million statewide. Reductions were accomplished as a result of the federal Tax Reform Act of 1986 and audits conducted primarily by the PSC Staff on various utility companies. |
| January 1988 | 15 | Missouri Public Service files natural gas rate case seeking approximately \$6.1 million. |
| | 21 | AT&T files proposal with the Missouri Public Service Commission seeking to establish a charge for long distance directory assistance on intrastate interLATA calls. |
| | 27 | PSC approves agreement which authorizes the Rich Hill-Hume Gas Company to sell its system to the Greeley Gas Company. |

Regulatory Activities

February	10	Capital City Water Company files \$361,696 water rate request with the PSC.
March	16	PSC approves agreement which authorizes the St. Joseph Light and Power Company to increase annual natural gas revenues by approximately \$421,000.
	20	PSC establishes proceeding to determine whether there should be changes in the current Purchased Gas Adjustment (PGA) mechanism given changes which are occurring in the natural gas industry regarding purchasing opportunities.
	21	The third year phase-in of Arkansas Power and Light Company's Grand Gulf nuclear power plant rate case takes effect.
April	1	PSC approves tariffs which authorize U.S. Sprint to reduce long distance telephone rates for its customers who originate and terminate long distance telephone calls within the State of Missouri.
	15	Missouri Public Service Commission was established 75 years ago on April 15, 1913.
	21	PSC approves permanent tariffs for Shared Tenant Services (STS).
	25	U.S. Water/Lexington, Missouri, Incorporated files \$195,000 water rate case with PSC.
	29	PSC approves final phase-in increase relating to the Kansas City Power and Light Company's Wolf Creek nuclear power plant. Four years of scheduled 2.2 percent increases in years 1989 through 1992 were cancelled.
May	13	PSC approves an application which authorizes the merger of the Associated Natural Gas Company into the Arkansas Western Gas Company.
	24	PSC approves application which authorizes the RBJ Corporation to acquire more than ten percent of the total capital stock of the Holway Telephone Company.
	27	PSC issues decision which authorizes the St. Louis County Water Company to increase annual water revenues by approximately \$3 million.
	31	PSC approves agreement which authorizes the St. Joseph Light and Power Company to increase annual industrial steam revenues by approximately \$550,000.
June	30	PSC issues order which develops a Primary Toll Carrier Plan in Missouri. This decision brings to a conclusion a several-year process designed to end Missouri's toll pools.

Regulatory Activities

Electric Rate Cases Decided During Fiscal Year 1988

Date of Order	Case No.	Company	Company Requested	%	PSC Decision	%
9/10/87	AO-87-48 EO-88-36	Missouri Public Service	—	—	(\$ 5,400,000)	(3.2%) (1)
10/7/87	HO-86-139	Kansas City Power & Light (Steam)	\$ 5,900,000	66%	-0-	-0- (2)
10/14/87	AO-87-48 EO-88-114	Empire District Electric	—	—	(\$ 3,399,608)	(3.6%) (3)
12/21/87	EC-87-114 EC-87-115	Union Electric	Complaint Case	—	\$ 5,600,000	.38% (4)
12/22/87	ER-85-157	St. Joseph Light & Power	—	—	(\$ 3,700,000)	(5.8%) (5)
1/1/88	ER-88-103	Sho-Me Power Corp.	\$ 1,174,673	1.47%	\$ 1,174,673	1.47% (6)
3/21/88	ER-85-265	Arkansas Power & Light	\$ 17,178,000	46.9%	\$ 1,370,000	3.25% (7)
5/5/88	EO-85-185	Kansas City Power & Light	\$ 194,700,000	52%	\$ 8,500,000	2.21% (8)
5/31/88	HR-85-116	St. Joseph Light & Power (Steam)	\$ 750,000	18.4%	\$ 550,000	13.5%

(1) Rate reduction relating to Tax Reform Act and Office of Public Counsel audit.

(2) PSC authorizes KCP&L to get out of steam business after December 31, 1990, but company must first seriously seek to sell its steam system. Commission ordered KCP&L to freeze current steam rates until the system is sold or abandoned.

(3) Rate reduction relating to Tax Reform Act and PSC Staff audit.

(4) Result of complaint cases filed by PSC Staff and Office of Public Counsel seeking to eliminate three years of Callaway I nuclear power plant phase-in rate increases. Commission determined scheduled 4.6 percent increases in 1988, 1989 and 1990 should not be implemented. Commission determined Callaway I phase-in should end with a .38 percent increase on December 31, 1987.

(5) Rate reduction as a result of a complaint filed by the Office of the Public Counsel.

(6) Wholesale increase from supplier.

(7) Grand Gulf Plant Increase - Third Year.

(8) PSC approves joint recommendation which ends KCP&L Wolf Creek phase-in schedule four years early. Last phase-in increase of \$8.5 million went into effect on May 5, 1988. Scheduled 2.2 percent increases for years 1989 through 1992 were cancelled.

Regulatory Activities

Natural Gas Rate Cases Decided During Fiscal Year 1988

Date of Order	Case No.	Company	Company Decision	%	PSC Granted	%
8/11/87	GR-87-62	Union Electric Company	\$ 4,500,000	*	\$ 3,300,000	*
12/30/87	GR-87-89	KPL Gas Service	—	—	(\$ 1,500,000)	(.3%)
3/16/88	GR-88-115	St. Joseph Light & Power Company	\$ 641,000	15.1%	\$ 421,000	9.9%

* Percentage change in rates varies among former subsidiaries.

Telephone Rate Cases Decided During Fiscal Year 1988

Date of Order	Case No.	Company	Company Requested	%	PSC Decision	%
8/28/87	TR-88-23	Southwestern Bell Telephone Company	—	—	(\$14,900,000)	(24%) (1)
9/18/87	TR-88-86	United Telephone Co.	—	—	(\$ 3,200,866)	(15%) (2)

(1) Rate reduction resulting from Tax Reform Act.

(2) Rate reduction resulting from Tax Reform Act, and PSC Staff and Office of Public Counsel audits.

Regulatory Activities

Water and Sewer Rate Cases Decided During Fiscal Year 1988

Date of Order	Case No.	Company	Company Requested	%	PSC Granted	%
10/4/87	WR-87-90	U.S. Water/Lexington, Missouri, Inc.	\$ 236,500	40%	\$ 95,000	15%
5/27/88	WR-8-5	St. Louis County Water Company	\$ 7,078,356	13.4%	\$ 3,059,401	5.7%

Informal Rate Cases			
Date of Order	Case No.	Company	Decision
1-1-88	8800011	Lakewood Hills Water	Case Settled
1-1-88	8800023	Willard Water	No Increase Received
10/1/87	8800025	Terre DuLac Sewer	Case Settled
10/1/87	8800024	Terre DuLac Water	Case Settled
9/15/87	8800035	PIHI Investments Sewer	Case Settled
9/15/87	8800031	Davis Water	No Increase Received
9/17/87	8800055	McCord Bend Water	Case Settled
9/6/88	8800089	Tri-State Utilities Water	Case Settled
11/6/87	8800104	The Meadows Sewer	Case Settled
2/1/88	8800118	Noel Water	Case Settled
2/1/88	8800167	Gold Investments Sewer	No Increase Received
6/1/88	8800139	Royal Oaks Water	Case Settled
6/1/88	8800175	Dawn Valley Water	No Increase Received
6/1/88	8800177	Osage Utilities Water	No Increase Received
11/1/87	8800173	Port Perry Water	Case Settled
11/1/87	8800174	Port Perry Sewer	Case Settled
1/2/88	8800264	Finley Valley Water	Case Settled
8/1/88	8800318	Herculaneum Sewer	Case Settled
8/1/88	8800319	Herculaneum Sewer	Case Settled
8/1/88	8800301	Southwest Village Water	No Increase Received
2/18/88	8800309	Lakewood Hills Water	Case Settled
8/1/88	8800368	Cat-Pac Waterworks	Case Settled
5/1/88	8800378	Raytown Water	Case Settled
6/1/88	8800386	Merriam Woods Water	Case Settled
11/1/88	8800407	A.D. Henss Water	Case Settled
7/22/88	8800514	Cedar Hill Utilities Sewer	Case Settled

Regulatory Activities

Utilities that Adjusted Rates to Reflect the Tax Reform Act During the 1988 Fiscal Year Which Ended on June 30, 1988

Utility Company	Amount of Reduction
Southwestern Bell Telephone Company	\$ 14,900,000
Missouri Public Service	5,000,000
Empire District Electric Company - Electricity	2,900,000
Arkansas Power and Light Company	1,589,000
KPL Gas Service	1,500,000
United Telephone Company	952,651
Union Electric Company - Gas	655,980
Raytown Water Company	24,400
TOTAL:	<u>\$ 27,522,031</u>

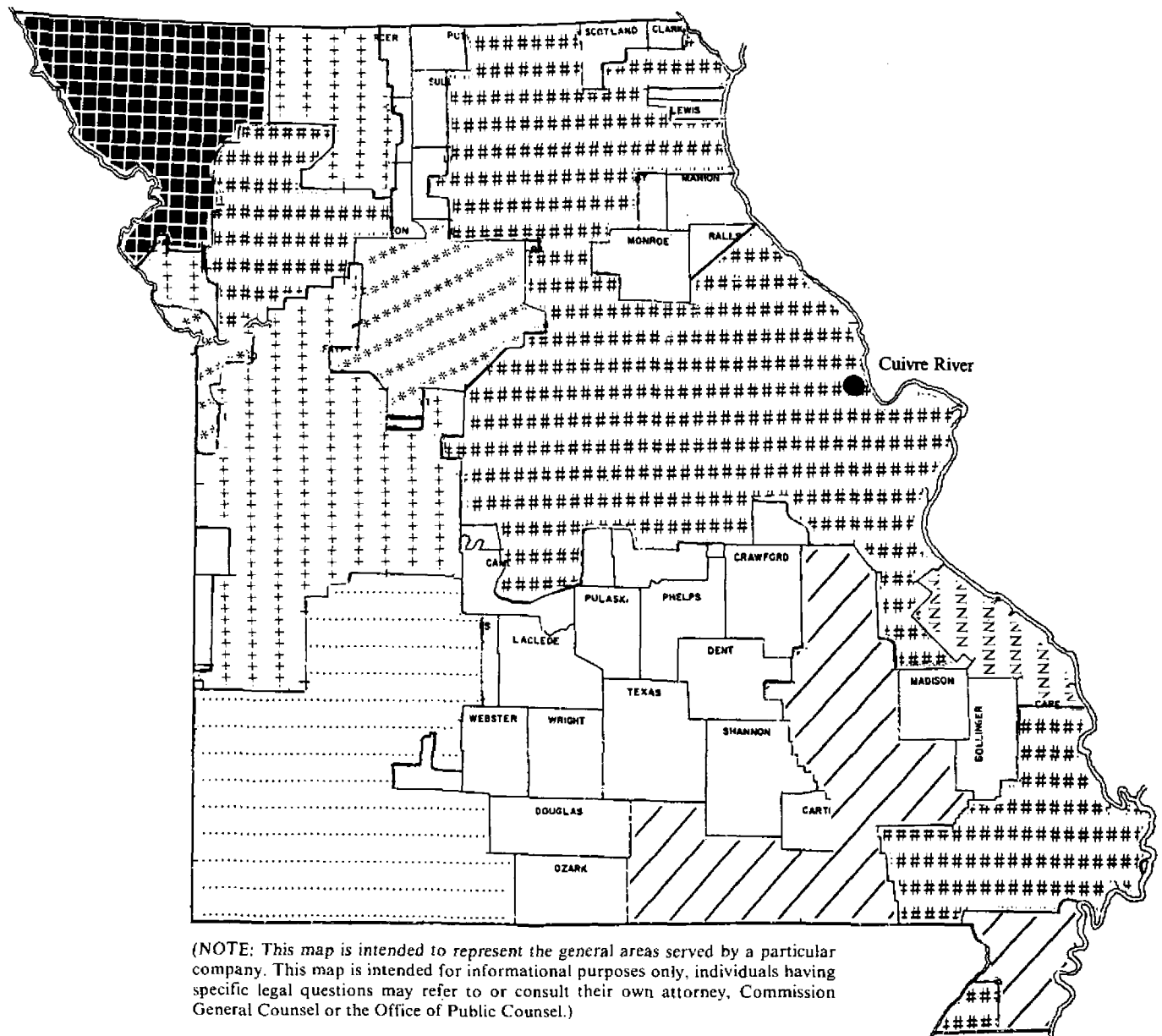
Regulatory Activities

**Utility Rate Reductions
as a Result of Audits Conducted
During the 1988 Fiscal Year Which Ended on June 30, 1988
(Not including Tax Reform Adjustments.)**

Utility Company	Amount of Reduction
Union Electric Company	\$183,200,000
Kansas City Power & Light Company	90,000,000
St. Joseph Light and Power Company	3,700,000
United Telephone Company	2,247,349
Empire District Electric Company	500,000
Missouri Public Service	400,000
TOTAL:	<u>\$280,047,349</u>

Maps and Statistics

Electric Service Areas of Regulated Utilities



ARKANSAS POWER & LIGHT CO.

CITIZENS ELECTRIC CO.

EMPIRE DISTRICT ELECTRIC CO.

KANSAS CITY POWER & LIGHT CO.



MISSOURI PUBLIC SERVICE CO.

ST. JOSEPH LIGHT & POWER CO.

UNION ELECTRIC CO.

Maps and Statistics

Calendar Year 1987 Electric Utilities' Statistics (Missouri Jurisdictional)

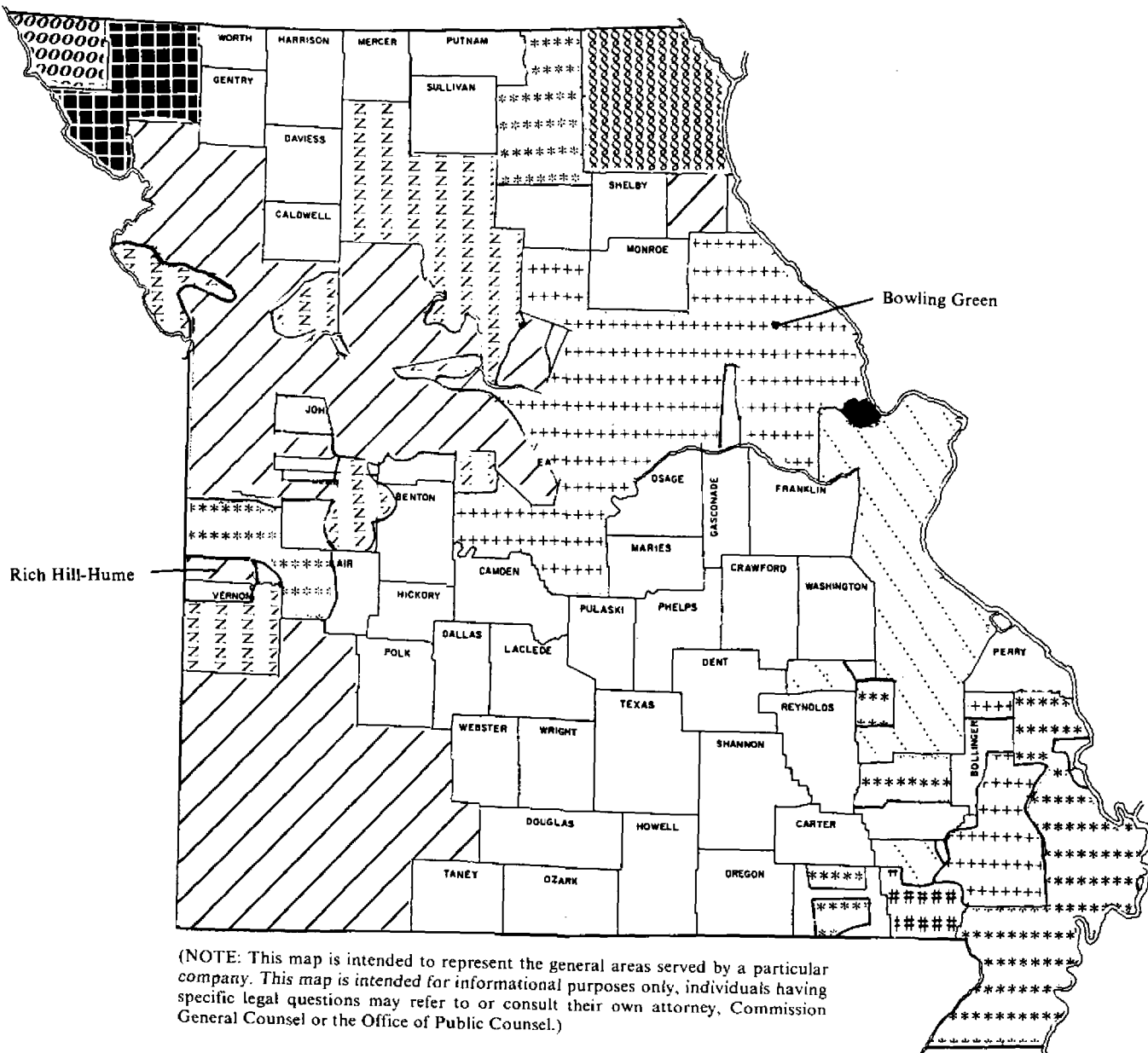
Name of Company	MWH's Sold 1987	Total Operating Revenues 1987	Total Number Residential Customers	Total Number of Customers
Arkansas Power & Light Company	609,118	\$ 40,307,415	23,226	26,968
Citizens Electric Corporation	501,303	30,940,830	16,585	18,274
Cuivre River Electric Service Company	56,452	3,780,626	2,857	2,927
Empire District Electric	1,988,073	97,599,426	78,891	95,199
Kansas City Power & Light	6,791,572	461,468,069	212,606	243,670
Missouri Public Service	2,856,818	186,607,155	133,574	152,743
Sho-Me Power Corporation*	2,031,563	83,198,580	0	30
St. Joseph Light & Power	1,180,977	67,226,944	51,205	57,685
Union Electric Company	22,894,083	1,645,604,980	847,745	958,553
TOTALS:	38,909,959	\$ 2,616,734,025	1,366,689	1,554,049

Source: 1987 Annual Reports
(Mo. Jurisdictional)

*Includes Wholesale Customers

Maps and Statistics

Gas Service Areas of Regulated Utilities



*** ASSOCIATED NATURAL GAS CO.

GRID GREAT RIVER GAS CO.

DIAGONAL KPL GAS SERVICE

DOTTED LACLEDE GAS CO.

ZIGZAG MISSOURI PUBLIC SERVICE CO.



ooo MISSOURI VALLEY

SOLID BLACK O'FALLON GAS SERVICE, INC.

OSAGE NATURAL GAS CO.

3x3 GRID ST. JOSEPH LIGHT AND POWER CO.

CROSS-HATCH UNION ELECTRIC CO.

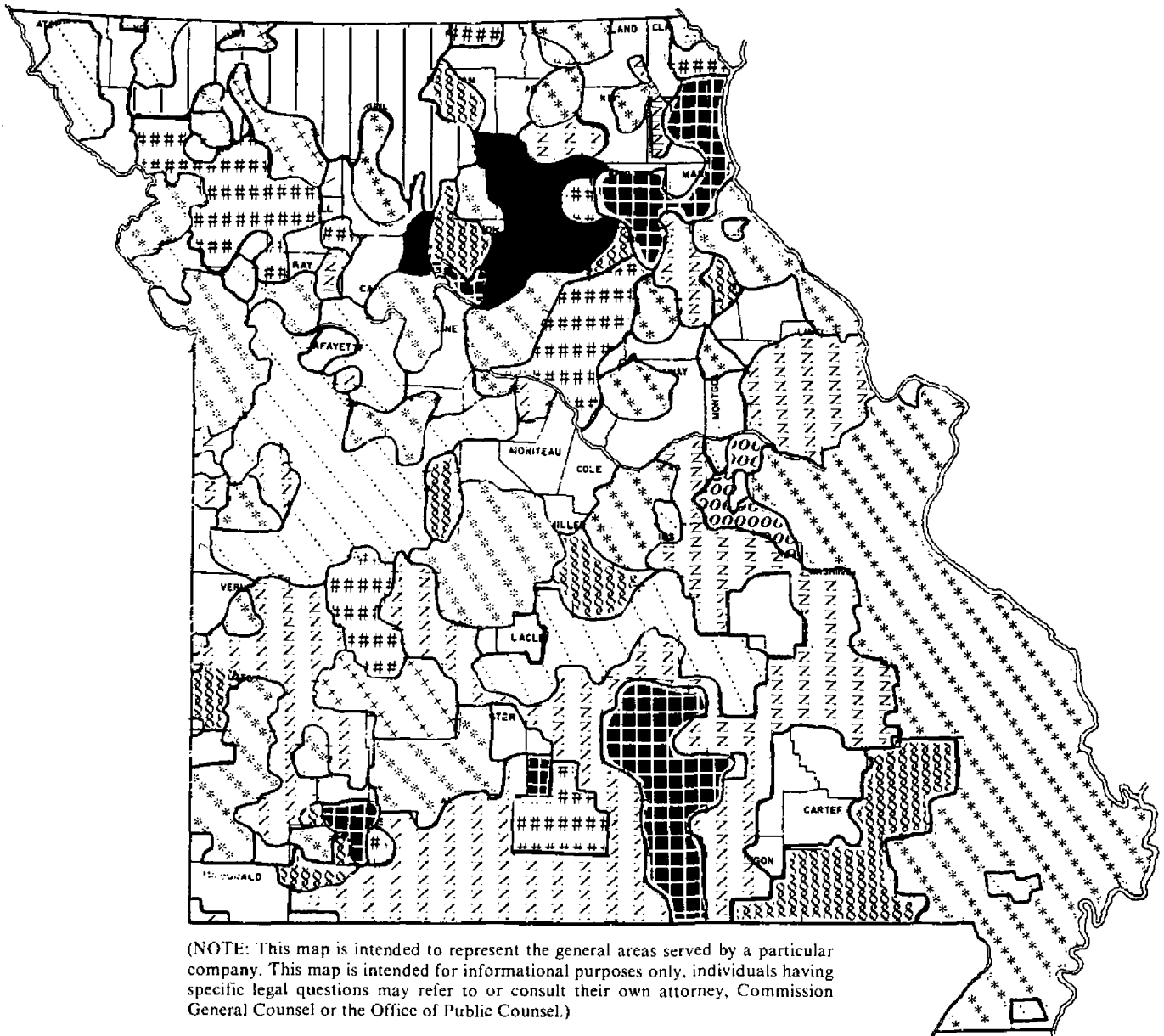
Maps and Statistics

Calendar Year 1987 Natural Gas Utilities' Statistics (Missouri Jurisdictional)

Name of Company	MCF's Sold 1987	Total Operating Revenues 1987	Total Number Residential Customers	Total Number of Customers
Associated Natural Gas Company	3,083,598	\$ 15,384,953	37,010	42,210
Bowling Green Gas Company	152,257	763,676	1,099	1,316
Great River Gas Company	1,737,546	8,795,890	10,573	11,887
KPL Gas Service	79,322,266	300,047,469	394,817	427,593
Laclede Gas Company	94,516,576	444,159,578	536,773	571,946
Missouri Public Service	6,118,314	26,248,651	35,416	39,402
Missouri Valley Natural Gas Company	206,367	1,107,417	1,196	1,410
O'Fallon Gas Service, Incorporated	16,070	218,673	265	265
Osage Natural Gas Company	56,229	332,035	570	665
Rich Hill-Hume Gas Service, Incorporated	57,826	346,994	530	606
St. Joseph Light & Power Company	619,270	3,285,393	3,917	4,517
Union Electric Company	11,432,348	61,383,744	80,741	90,525
TOTALS:	199,654,880	\$872,460,113	1,102,907	1,192,342

Maps and Statistics

Telephone Service Areas of Regulated Utilities



SOUTHWESTERN BELL TELEPHONE CO.



UNITED TELEPHONE CO.



CONTINENTAL TELEPHONE CO.



GENERAL TELEPHONE CO. OF MISSOURI



CONTEL SYSTEMS OF MISSOURI



ALLTEL SERVICE CORP.



GRAND RIVER MUTUAL TELEPHONE CORP.



MISSOURI TELEPHONE CO.



FIDELITY TELEPHONE CO.



CHARITON VALLEY TELEPHONE CO.

Maps and Statistics

Other Telephone Companies and Counties They Serve

Webster County Telephone Company
Webster and Dallas Counties

Mark Twain Rural Telephone Company
Adair, Clark, Knox, Schuyler, Shelby,
Lewis, Marion, and Scotland Counties

Citizens Telephone Company
Lafayette County

Northeast Missouri Telephone Company
Adair, Clark, Knox, Linn, Macon,
Putnam, Schuyler, Scotland, and Sullivan
Counties

Kingdom Telephone Company
Callaway and Montgomery Counties

Mid-Missouri Telephone Company
Cooper, Moniteau, and Saline Counties

Steelville Telephone Company
Crawford, Washington and Iron Counties

Green Hills Telephone Corporation
Caldwell, Carroll, Daviess, Livingston,
and Ray Counties

McDonald County Telephone Company
McDonald County

Granby Telephone Company
Newton County

Eastern Missouri Telephone Company
Montgomery, Audrain, Lincoln, and Pike
Counties

Seneca Telephone Company
Newton and McDonald Counties

Craw-Kan Telephone Company
Bates and Jasper Counties

Rock Port Telephone Company
Atchison County

Bourbeuse Telephone Company
Franklin and Gasconade Counties

Goodman Telephone Company
McDonald County

Ellington Telephone Company
Reynolds County

KLM Telephone Company
Vernon and Bates Counties

Iamo Telephone Company
Atchison and Nodaway Counties

Oregon Farmers Mutual Telephone Company
Holt County

Lathrop Telephone Company
Clinton County

Orchard Farm Telephone Company
St. Charles County

Le-Ru Telephone Company
Newton and McDonald Counties

Miller Telephone Company
Lawrence County

Stoutland Telephone Company
Camden and Laclede Counties

New London Telephone Company
Ralls County

Holway Telephone Company
Holt and Nodaway Counties

Mo-Kan Telephone Company
Cass County

Continental of Arkansas
Barry and McDonald Counties

Choctaw Telephone Company
Lawrence and Greene Counties

Wheeling Telephone Company
Livingston County

New Florence Telephone Company
Montgomery County

Alma Telephone Company
Lafayette County

Peace Valley Telephone Company
Howell County

Farber Telephone Company
Audrain County

Continental Telephone Company of Iowa
Clark County

(NOTE: Companies serve all or parts of the counties listed. This is for informational purposes only, individuals having specific legal questions may refer to or consult their own attorney, Commission General Counsel or the Office of Public Counsel.)

Maps and Statistics

Missouri Jurisdictional Telephone Companies by Access Lines

Company	No. of Access Lines
1. Southwestern Bell Telephone Company, St. Louis	1,946,300
2. United Telephone Company, Jefferson City	161,583
3. Continental Telephone Company, Wentzville	153,274
4. General Telephone Company, Columbia	82,279
5. Contel Systems of Missouri, Inc., Wentzville	41,371
6. ALLTEL Service Corporation, Little Rock, Ark.	27,026
7. Missouri Telephone Company, Columbia	15,329
8. Grand River Mutual Telephone Corporation, Princeton	12,266
9. Fidelity Telephone Company, Sullivan	9,403
10. Chariton Valley Telephone Company, Bucklin	7,127
11. Webster County Telephone Company, Marshfield	4,521
12. Mark Twain Rural Telephone Company, Hurdland	3,748
13. Citizens Telephone Company, Higginsville	3,373
14. Northeast Missouri Rural Telephone Company, Green City	3,312
15. Steelville Telephone Company, Steelville	3,158
16. Kingdom Telephone Company, Auxvasse	3,029
17. Mid-Missouri Telephone Company, Pilot Grove	2,918
18. Green Hills Telephone Company, Breckenridge	2,659
19. Eastern Missouri Telephone Company, Bowling Green	2,360
20. Seneca Telephone Company, Seneca	2,215
21. McDonald County Telephone Company, Pineville	2,195
22. Granby Telephone Company, Granby	2,085
23. Craw-Kan Telephone Company, Girard, Kansas	1,899
24. Rock Port Telephone Company, Rock Port	1,557
25. Bourbeuse Telephone Company, Sullivan	1,536
26. Ellington Telephone Company, Ellington	1,394
27. Goodman Telephone Company, Goodman	1,364
28. Iamo Telephone Company, Coin, Iowa	1,092
29. KLM Telephone Company, Rich Hill	1,090
30. Lathrop Telephone Company, Lathrop	1,059
31. Oregon Farmers Mutual Telephone Company, Oregon	1,000
32. Le-Ru Telephone Company, Stella	932
33. Stoutland Telephone Company, Columbia	890
34. Miller Telephone Company, Miller	851
35. New London Telephone Company, New London	761
36. Orchard Farm Telephone Company, St. Charles	645
37. Holway Telephone Company, Maitland	615
38. Mo-Kan Dial, Inc., Columbia	567
39. Continental of Arkansas, St. Louis	514
40. Choctaw Telephone Company, Halltown	402
41. New Florence Telephone Company, New Florence	344
42. Alma Telephone Company, Alma	328
43. Wheeling Telephone Company, Columbia	315
44. Peace Valley Telephone Company, Peace Valley	270
45. Farber Telephone Company, Farber	224
46. Continental Telephone Company of Iowa, St. Louis	69
Total Access Lines in Missouri	2,511,249

Maps and Statistics

Calendar Year 1987 Sewer Company Statistics (Missouri Jurisdictional)

Classification and Company	Customers	Classification and Company	Customers
Class A		House Springs Sewer Company	-
(Revenue over \$500,000)		Incline Village Sewer Company	41
Jefferson County Utility Company	4,446	LW Sewer Corporation	183
Class B		Lake Carmel Development Company	12
(Revenue from \$250,000 - \$500,000)		Lake Hannibal Sewer Corporation	13
Crystal Springs Development Company	2,040	Lake Northwoods Utility Company	14
Imperial Utility Corporation	716	Lakeside Gardens Sewer Service	25
West Elm Place Corporation	2,470	Lincoln County Utility Company	109
Class C		Martell Private Water & Sewer Company	31
(Revenue from \$50,000 - \$250,000)		Meadows Water Company	73
Maplewood Service Company	344	Mill Creek Sewers Incorp.	74
Meramec Sewer Company	628	Missouri Cities Water Company	101
Terre Du Lac Utilities Corporation	873	MPB Incorporated	68
W.C. Sewer Systems Incorporated	621	P.C.B. Incorporated	161
Class D		Peaceful Valley Service Company	115
(Revenue under \$50,000)		PIHI Investments Incorporated	54
Batson Development Company	155	Port Perry Service Company	36
Cassidy Water Company	-	Riverside Utility Company	37
Cedar Hill Utility Company	270	Rogue Creek Valley Incorporated	59
Central Jefferson County Utility Inc.	62	Roy L. Utilities Incorporated	51
Cleanco Sewer Corporation	8	SK&M Water & Sewer Company	81
Eastern Missouri Utilities Company	2	Schell Sanitation Incorporated	103
Elledge & Lewis Enterprises Incorporated	73	Shepard of the Hills	3
English Village Sewer Company	375	SLR Development Company	195
Franklin County Service Company	46	South Jefferson County Utility Company	87
Gladlo Water & Sewer Company	60	South Walnut Hills Sewer Corporation	27
Gold Investments Incorporated	115	Southwest Sewer Corporation	-
Herculaneum Sewer Company	106	Stoddard County Sewer Company	128
Hickory Hills Water & Sewer Company	40	Swiss Villa Utilities Incorporated	141
Hillcrest Utilities Company	123	Vogel Sewer System Incorporated	162
		Waters Edge Sewer Company	170
		Willows Utility Company	172
		Woodland Heights Utilities Incorporated	68

Maps and Statistics

Calendar Year 1987 Water Company Statistics (Missouri Jurisdictional)

Classification and Company	Customers	Classification and Company	Customers
Class A		High Ridge Manor Water Company	28
(Revenue over \$500,000)		Hillcrest Utilities Company	123
Capital City Water Company	9,653	Incline Village Water Company	40
Empire District Electric Company	3,909	Jefferson County Water Company	32
Missouri Cities Water Company	28,387	Kimberling City Water Company	100
Missouri-American Water Company	45,824	Lake Northwoods Utility Company	14
Raytown Water Company	6,580	Lakeland Heights Water Company	129
St. Louis County Water Company	276,542	Lakeview Heights Water Service	51
Union Electric Company	13,089	Lakewood Hills Water Company, Inc.	97
U.S. Water/Lexington, Mo., Inc.	2,166	Lincoln County Utilities Company	109
Class B		LTA Water Company	65
(Revenue from \$250,000 - \$500,000)		Maplewood Service Company	344
Four Seasons Lake Sites Water Company	589	Martell Private Water & Sewer Company	26
Class C		McCord Bend Water Company	108
(Revenue from \$50,000 - \$250,000)		Merriam Woods Water Company	418
Cassidy Water Company	270	Moore Bend Water Company	96
I H Utilities Incorporated	605	Oaktrees Incorporated	11
Noel Water Company	550	Osage Utilities Incorporated	71
Terre Du Lac Utilities Corporation	869	Ozark Mountain Water Company	250
The Meadows Water Company	643	Peaceful Valley Service Company	124
Tri-State Utility Company	582	PIHI Investments Incorporated	54
Willard Water Company	674	Port Perry Service Company	105
Class D		Rankin Acres Water Company	81
(Revenue under \$50,000)		Rex Deffenderfer Enterprises, Inc.	284
A.D. Henss	91	Riverside Utility Company	93
AREN Corporation	40	Rocky Ridge Ranch Utilities Company	340
Batson Development Company	201	Rogue Creek Utility Incorporated	87
Big Val Utility Corporation	8	Roy L. Utilities Incorporated	51
Cat-Pac Waterworks Incorporated	135	Royal Oaks Water & Sewer Utility Co.	43
Cedar Hill Estates Water Company	166	SK&M Water & Sewer Company	166
Central Jefferson County Utility Inc.	62	South Jefferson County Utility Company	90
Coney Island Water System Incorporated	80	Southwest Village Water Company	50
Davis Water Company	226	Stockton Hills Water Company	109
Dawn Valley Sub. Water System	107	Stoneshire Water Company	42
Evergreen Lake Water Company	35	Suburban Water Company	148
Finley Valley Water Company	26	Swiss Villa Utilities Incorporated	141
Franklin County Service Company	27	Taney County Utilities Corporation	25
Franklin County Water Company	104	Taneycomo Projects Incorporated	294
Frimel Water Systems Incorporated	72	Whispering Hills Water System	54
Gatliff Water Company	91	White Branch Water Service	189
Gladlo Water & Sewer Company	54	White River Valley Water Company	107
Hickory Hills Water & Sewer Company	40	Wilden Heights Water Company	20
		Willows Utility Company	172
		Woodland Heights Utilities Incorporated	68

Additional Information

Customer Services

The Missouri Public Service Commission has three offices for assisting consumers. The offices are located in Jefferson City, St. Louis and Kansas City. The Commission is open from 8-12 noon and 1-5 p.m., Monday through Friday, except on state holidays.

If you live outside of the St. Louis and Kansas City areas, you may contact the Jefferson City office without charge by using the toll-free Consumer Hotline: (800) 392-4211.

If you live in the St. Louis or Kansas City areas, you may take your complaint to the PSC Consumer Services Offices in those cities.

Jefferson City: Missouri Public Service Commission
Harry S Truman State Office Building
301 W. High
(Mailing Address: P.O. Box 360)
Jefferson City, MO 65102
Toll-free Consumer Hotline for
Complaints: (800) 392-4211
Other Business: (314) 751-3234

St. Louis: Missouri Public Service Commission
The New Frisco Building
Suite 330
906 Olive Street
St. Louis, MO 63101
Telephone No: (314) 444-6807

Kansas City: Missouri Public Service Commission
Suite 510
615 E. 13th Street
Kansas City, MO 64106
Telephone No: (816) 472-2816

Additional Information

Commissioners Past and Present

The Missouri Public Service Commission was formed in 1913 by the Missouri General Assembly. Those who have served as Commissioners of the Missouri Public Service Commission since its beginning appear below:

PRESENT COMMISSION

* William D. Steinmeier	February 1, 1984
Charlotte Musgrave	October 17, 1981
Allan G. Mueller	July 11, 1983
Connie B. Hendren	July 11, 1983
James M. Fischer	January 3, 1984

Former Commissioners	Length of Service	Former Commissioners	Length of Service
* John M. Atkinson	**1913-1916	* Frederick Stueck	1941-1943
William F. Woerner	**1913-1914	John A. Ferguson	1936-1944
John Kennish	**1913-1917 and 1920	* Albert Miller	1943-1944
Frank A. Wightman	**1913-1915	Richard Arens	1944-1945
Howard B. Shaw	**1913-1917	* Kyle Williams	1941-1952
Edwin J. Bean	1914-1925	Agnes Mae Wilson	1943-1949
Eugene McQuillin	1915-1917	* Morris E. Osburn	1945-1952
* William G. Busby	1916-1921	John P. Randolph	1949-1951
David E. Blair	1917-1920	Henry McKay Cary	1950-1955
Noah W. Simpson	1917-1923	Frank Collier	1953-1954
Edward Flad	1917-1921	Maurice W. Covert	1952-1953
* John A. Kurtz	1920-1923	Charles L. Henson	1942-1959
Hugh McIndoe	1921-1923	M. J. McQueen	1954-1956
A. J. O'Reilly	1921-1925	D. D. McDonald	1955-1961
Richard H. Musser	1923-1925	Frank J. Iuen	1959-1963
* Merrill E. Otis	1923-1924	* Tyre W. Burton	1952-1965
D. F. Calfee	1925-1929	William Barton	1956-1965
* Thomas J. Brown	1923-1928	Frank W. May	1961-1967
James P. Painter	1928-1929	E. L. McClintock	1945-1967
* Almon Ing	1925-1933	Donal D. Guffey	1963-1968
S. M. Hutchison	1925-1931	Howard Elliott, Jr.	1967-1970
* Milton R. Stahl	1929-1933	* Marvin E. Jones	1967-1973
J. Fred Hull	1929-1934	* William R. Clark	1965-1975
* J. C. Collet	1933-1935	Willard D. Reine	1968-1975
Harry E. McPherson	1934-1935	* James F. Mauze	1971-1975
J. H. Porter	1925-1933	* A. Robert Pierce, Jr.	1973-1977
George H. English	1931-1936	* James P. Mulvaney	1975-1977
William Stoecker	1933-1936	Charles J. Fain	1965-1977
Albert D. Nortoni	1936-1938	Stephen B. Jones	1975-1979
W. M. Anderson	1933-1938	Hugh A. Sprague	1975-1979
Scott Wilson	1938-1941	Stephanie Bryant	1979-1981
* Sam O. Hargus	1935-1937	* Alberta Slavin	1977-1981
John S. Boyer	1935-1941	Larry W. Dority	1979-1983
Marion S. Francis	1938-1941	Leah Brock McCartney	1977-1983
* J. D. James	1937-1942	* Charles J. Fraas	1977-1983
Paul Van Osdol	1941-1943	* John C. Shapleigh	1981-1984

*Those who have served as Chairman of the Public Service Commission

**First Commissioners of the Public Service Commission